

# City of Cincinnati



**Mark Mallory**  
*Mayor*

To: Members of Council

From: Mayor Mark Mallory

Date: November 28, 2007

Copies To: City Manager Milton Dohoney, Jr.

Subject: Mayor's Recommendations on the Proposed Update to the 2007/2008 Biennial Budget

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As per the City of Cincinnati Charter, these comments and recommendations along with the attached budget documents are the formal transmittal of the proposed update to the 2007/2008 City of Cincinnati Budget.

Last year, City Council and I set a new course for Cincinnati by unanimously passing the budget for 2007 and 2008 aimed to strengthen and grow Cincinnati by investing in key priorities. Those priorities included public safety, youth, neighborhoods, economic development, the Arts, good government, and the environment. The City Manager and the City Administration have done an excellent job of implementing our budget priorities and we have seen a year of success.

As we prepare the 2008 update to the 2007/2008 budget, some adjustments are needed in order to fulfill the policy commitments we made a year ago. The City Manager and his staff have presented a sound budget update that reconciles the policy set forth when Council passed the budget and the revenue available to fund those priorities.

The 2008 budget update maintains key priorities that were established in the 2007/2008.

- All City recreation centers and health centers will remain open
- All swimming pools will not only remain open, but will have an extended season
- Recycling will continue to be collected on a weekly basis
- The youth employment programs are fully funded
- The Cincinnati Initiative to Reduce Violence (CIRV) is fully funded
- The Office of Environmental Quality, Department of City Planning, and Economic Development division receive increased support
- 80 new police recruits in 2008 will bring our complement of police officers to 1135 in 2009

The City Manager has presented a budget update that offers creative solutions focused on efficiencies and generating revenue. In order to continue to focus on our key priorities, I am making several recommendations to City Council for inclusion in the final budget update.

### **MAYOR'S RECOMMENDED BUDGET PRIORITIES**

#### **Safety Services**

Last year, we made significant increases in the City's investment in Safety Services. Safety Services are designed to provide for the total safety of our citizens. Specifically, we increased funding to both Police Visibility Overtime and Human Services. Those investments have led to significant positive results. We need to ensure that we maintain an increased presence of police officers in our communities to continue to improve public safety. At the same time, we must continue to fund Human Services in order to provide a safety net for citizens, through services such as battered women's shelters, drug addiction treatment, and homeless intervention. Strong investment in both Public Safety and Human Services as Safety Services will make our city a healthier and safer place to live.

The City Manager's proposed 2008 budget update reduces funding to Police Visibility overtime and Human Services in order to balance the budget. Given the significant progress that we made on improving public safety in 2007, we cannot afford to reduce the funding to those two important areas in 2008. We must continue our investment in those areas to ensure that the results are sustained. Therefore, I recommend restoring \$1,900,000 to Safety Services, to be divided equally with \$950,000 allocated to Police Visibility Overtime and \$950,000 to Human Services funding to be distributed as determined by the Human Services Advisory Committee.

#### **Public Safety – Cincinnati Human Relations Commission**

Last year, the Cincinnati Human Relations Commission (CHRC) Street Worker program played a critical role in the implementation of the Cincinnati Initiative to Reduce Violence (CIRV), which is helping to improve public safety. Reducing their budget would impact the number of Street Workers available to CIRV. I recommend restoring \$65,000 in funding to the Cincinnati Human Relations Commission.

#### **Neighborhoods – Neighborhood Support Program**

Community Councils are crucial to the vitality of our 52 diverse and beautiful neighborhoods. The Neighborhood Support Program (NSP) is designed to give our Community Councils the resources they need to advocate for their communities. I am recommending maintaining the funding level of \$7,000 per Community Council as passed in the 2007/2008 budget, a cost of \$104,000.

#### **The Arts – Small Arts Capital and Individual Artists Grants Program**

The Small Arts Capital and Individual Artist Grants program supports two key areas of a strong arts community, smaller arts institutions and individual artists. Cincinnati has a long tradition of strong support for our arts and cultural community. This program is

vital foster a diverse and vibrant arts community by ensuring that our smaller arts institutions and our individual artists are strongly supported. I recommend restoring \$216,120 to fund the Small Arts and Individual Artist Grants program to provide resources to ensure that Cincinnati's Arts community is strong across the full spectrum.

#### **Economic Development – Cincinnati Film Commission**

The proposed 2008 budget update eliminates funding for the Cincinnati Film Commission. Last year, we made the commitment to fund the Cincinnati Film Commission because of its ability to bring resources and spur job creation by attracting television and film production to our city. The Film Commission has been very successful in that mission. Nearly 3,000 hotel room nights have been booked through November of 2007, with a total economic impact to the region of over \$12.5 million. In addition, the Film Commission has used the City's public investment to leverage private resources to help finance its mission. We cannot risk losing those new partners by ending the City's commitment to the Film Commission. I recommend restoring \$75,000 in funding to the Cincinnati Film Commission.

#### **Good Government – Citizens Survey**

Traditionally, the City of Cincinnati has conducted a periodic Citizens Survey to collect information about citizen priorities and satisfaction. The information is used to track trends and make strategic decisions about how to direct the city's limited resources to best fulfill the desires of our residents. I recommend funding the Citizen Survey at a cost of \$60,000.

#### **The Arts – Arts Institutions Capital Budget**

Last year, we increased our capital investment in four Cincinnati Arts Institutions to \$800,000 in funding each. While the funding is not available to maintain that increase, I recommend that we return to our previous policy of making a \$200,000 capital investment in three buildings owned by the City, which house Arts Institutions. Music Hall, Union Terminal, and the Cincinnati Art Museum are three iconic buildings and we must ensure that they are properly maintained.

#### **Youth Employment**

As previously noted, the youth employment programs we created in the 2007/2008 budget are fully funded in the 2008 budget update. The programs include MuralWorks, the Parks Department's Summer Youth Employment Program, the Recreation Commission's Summer Youth Employment Program, and funding to contract with a community partner to operate summer youth employment programming. I recommend directing a portion of the unallocated youth employment funding to support the Mayor's Youth Jobs and Opportunities Fair. The funding will cover facility costs and increased marketing and outreach to grow the event and connect more youth to quality employment.

#### **Mayor's Office Budget**

I am making two changes to my Office Budget. Neither change will effect the total City Manager's budget recommendation for the Mayor's Office. I am increasing the Full

Time Equivalent's (FTE) allocated to my office from 5.0 to 8.0 to equal the number of employees in my office. In addition, I am transferring \$45,000 from the non-personnel budget to the personnel budget.

#### **Solid Waste Fee**

The proposed 2008 Budget Update includes a Solid Waste Fee of \$5 per quarter per account. The fee would generate \$1,481,300 in 2008. I am proposing the elimination of the Solid Waste Fee.

#### **Gas Light Fee**

The proposed 2008 Budget Update includes a \$4 per foot fee for property owners where gas streetlights are located. The fee would generate \$100,000 in 2008. I am proposing the elimination of the Gas Light Fee.

#### **Total Funding**

In order to fund my recommended budget priorities and the elimination of the two proposed fees, \$4,001,420 in funding is necessary. In addition, \$600,000 is needed in the Capital Budget in order to fund the Arts Capital investment.

### **FUNDING SOURCES**

The City Manager prepared the budget update under the directive to present a balanced budget that does not rely on a prior year carryover balance. In addition, the City Manager had to develop his budget using the most accurate revenue estimates available at the time. Since the City Manager submitted his 2008 Budget Update to me, there have been two new developments that affect the funds available for the 2008 Budget Update.

#### **Updated Revenue Projects**

According to the October 2007 Monthly Finance Reports dated November 28, 2007, the City will collect \$3.5 million more revenue in 2007 than previously projected.

#### **AFSCME Savings**

Under the terms of the new AFSCME contract, employees will receive a one-time lump sum payment in 2007 rather than a 3% pay raise. Since the payment is not a salary increase, the City's obligation to future employee salaries will not increase, and the City will realize an annual savings of \$534,000. The savings from that provision of the contract is a recent development and was not able to be included in the City Manager's proposed 2008 budget update.

#### **Total New Funding**

The increased revenue projection and the AFSCME savings equal \$4,034,000 in available funding. That funding will cover the cost of my budget recommendations, \$4,001,420.

**Capital Arts Funding Source**

The City Manager's proposed 2008 budget update increases the capital budget of Fleet Services by \$1.2 million over 2007. I am recommending a \$600,000 reduction to Fleet Services in order to fund capital investments in Music Hall, Union Terminal, and the Cincinnati Art Museum.

**CONCLUSION**

In my recommendations to the proposed 2008 Budget Update, I have focused on maintaining funding for the priorities we set in the 2007/2008 biennial budget.

Over the last two years, we have seen significant improvements in the quality of life in our city. Crime statistics are down. We are strengthening our neighborhoods; building new housing, realizing economic development opportunities, and improving the delivery of City services. The budget we unanimously passed last year set the course for those improvements. In order to maintain our momentum and see further progress, we must continue to invest in the priorities and strategies that are working and showing results.

The City Budget is the most important decision that elected officials make. It is how we set our priorities for our city. I was extremely encouraged by the collaborative efforts that lead to the unanimous 2007/2008 City Budget. We came together to set a strong vision for Cincinnati. I look forward to working with Council over the next month to finalize a budget update that will continue that strong vision.